



APR 18 1962

# ANNUAL REPORT

## 1961



ACADIA-ATLANTIC SUGAR REFINERIES LIMITED



# DIRECTORS and OFFICERS

## DIRECTORS

RALPH P. BELL, O.B.E., D.C.L., Halifax

R. O. BULL, Sidney, B.C.

J. A. GAIRDNER, Toronto

J. H. GAIRDNER, Toronto

J. S. GAIRDNER, Toronto

HON. SALTER A. HAYDEN, Q.C., LL.D.,  
Toronto

VICTOR L. JOHNSON, New York, N.Y.

D. H. McLAREN, Toronto

HON. J. LEONARD O'BRIEN, LL.D.,  
South Nelson, N.B.

W. J. R. PATON, Montreal

E. P. TAYLOR, C.M.G., Toronto

ARTHUR G. WALWYN, Toronto

## OFFICERS

J. A. GAIRDNER, *Chairman of the Board*

W. J. R. PATON, *President and General Manager*

HON. SALTER A. HAYDEN, Q.C., *Vice-President*

A. P. BEAULIEU, F.C.I.S.,  
*Vice-President-Finance, and Secretary*

G. F. HAYDEN, *Assistant Secretary*

M. R. HALIBURTON, *Assistant Treasurer*

C. G. CLARK, *Vice-President-Production,*  
*Saint John Refinery*

E. V. BURGESS, *General Sales Manager, Montreal*

### PLANTS

Saint John, N.B. and  
Dartmouth, N.S.

### OFFICES

*Executive Office:*  
5660 Ferrier St., Montreal 16

### SALES OFFICES:

Saint John, N.B., Halifax, Montreal  
and Toronto

# 1961 annual report



## ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

and its wholly-owned subsidiary ATLANTIC SUGAR REFINERIES LIMITED

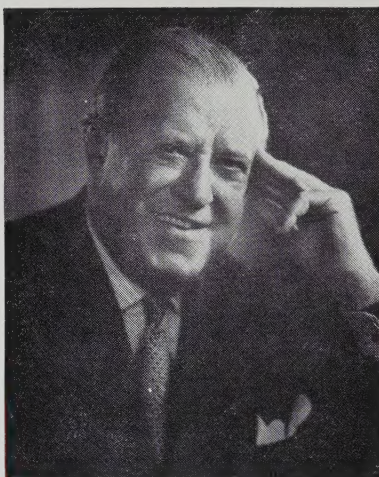
### FINANCIAL HIGHLIGHTS

	1961	1960
Operating Profit . . . . .	\$ 5,591,694	\$ 4,847,548
Federal and Provincial Income Taxes . . . . .	2,416,000	2,211,000
Net Earnings . . . . .	2,328,804	2,179,090
Current Assets . . . . .	14,214,881	13,762,433
Current Liabilities . . . . .	3,252,784	3,071,123
Ratio of Current Assets to Current Liabilities . . . . .	4.4 to 1	4.5 to 1
Net Working Capital . . . . .	10,962,097	10,691,310
Capital Expenditures . . . . .	2,107,225	521,283
Total Surplus . . . . .	17,884,988	16,401,025
Funded Debt . . . . .	5,600,000	5,793,000
Total Dividends Paid . . . . .	1,410,000	870,000
Added to Retained Earnings . . . . .	1,483,963	1,309,090
Profit per Common Share . . . . .	1.01	.93*

\*equivalent after split 3 for 1.



## THE CHAIRMAN'S LETTER



It is a pleasure to report to you that the earnings of your Company for the year ending December 31, 1961 have again shown an improvement over the previous year. Balance Sheet, Consolidated Statement of Earnings and Statement of Retained Earnings are submitted herewith.

The auditors of Acadia-Atlantic Sugar Refineries Limited and Atlantic Sugar Refineries Limited recommended that substantially all the net assets of the latter be purchased by the former in order to simplify operations and accounting procedures which would result in administrative economies. This internal transaction was carried out on December 15th, 1961. Consolidated statements for 1961 were unaffected.

**EARNINGS** The Consolidated Profit for the period just ended amounts to \$2,328,804. as compared to \$2,179,090. for the previous year. The depreciation written off before earnings this year amounted to \$1,081,777. as compared to \$620,973. last year.

**INVESTMENTS** Our investments consist almost entirely of Government Bonds and other readily negotiable listed securities. The market value as of December 31, 1961 amounted to \$9,213,500. as compared to a cost of \$8,810,696.

**MODERNIZATION AND EXPANSION** The modernization program contributed in some degree to the improved earning power of 1961, but the full benefit will not be attained until the second half of 1962. The expansion program which provides for a total increase in capacity of approximately 60% will not be completed until the late Fall of 1962 but some benefit will accrue to 1962 operations in the interim. The full benefit will depend on the growth of our sales and should be of a cumulative character over the years immediately ahead.



**EXPORT MARKETS** Prospects are that when the full benefits of our current modernization and expansion program are realized the resultant lower production costs will permit us to be more competitive. The outlook for the years ahead is encouraging.

**FURTHER PLANS FOR THE FUTURE** While the present expansion is sufficient to provide for our growth in the sugar field in Canada for some time to come, it is the opinion of your senior officers that other lines in the food field offer possibilities and intensive studies are now underway to thoroughly explore such opportunities.

**DIRECTORS** During the year the Company suffered the loss by death of its valued director — The Honourable Onésime Gagnon, P.C., Q.C., of Quebec City. The Board of Directors regrettably accepted the resignation of Mr. Trumbull Warren of Hamilton, Ontario. New Directors appointed were Mr. Arthur G. Walwyn and Mr. D. H. McLaren of Toronto. Mr. Walwyn is President of Corporate Consultants and Chairman of the Investment Committee of Corporate Investors Limited. Mr. McLaren is General Manager of Trafalgar Management Limited.

**PERSONNEL** I would like to take this opportunity of extending our thanks and appreciation to the members of our organization who despite the problems posed by changes and additions to our facilities have succeeded in maintaining our production at capacity levels.

All of which is respectfully submitted on behalf of your Board of Directors.

March 30, 1961.

Chairman



# ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

and its wholly-owned subsidiary, ATLANTIC SUGAR REFINERIES LIMITED

## ASSETS

CURRENT ASSETS	1961	1960
Cash . . . . .	\$ 66,638	\$ 237,149
Deposit receipts . . . . .	—	1,000,000
Marketable investments — at cost (quoted market value \$9,213,500) . . . . .	8,810,696	6,859,521
Accounts receivable less allowance for doubtful accounts . . . . .	2,126,439	2,190,762
Inventories — at lower of cost or market . . . . .	3,105,775	3,359,426
Prepaid expenses . . . . .	105,333	115,575
	<u>14,214,881</u>	<u>13,762,433</u>
 FIXED ASSETS		
Land, buildings, wharves, plant and equipment, furniture and fixtures (Notes 1 and 2) . . . . .	20,723,122	18,926,990
Accumulated depreciation . . . . .	4,900,232	4,124,276
	<u>15,822,890</u>	<u>14,802,714</u>
 GOODWILL — at nominal value . . . . .	1	1

Approved on behalf of the Board:

W. J. R. PATON }  
SALTER A. HAYDEN } Directors

\$30,037,772    \$28,565,148

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Acadia-Atlantic Sugar Refineries Limited and its subsidiary company as at December 31, 1961 and the consolidated statements of earnings and retained earnings for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings and retained earnings, when read in conjunction with the notes thereto, present fairly the financial position of the companies as at December 31, 1961 and the results of their combined operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.,  
Chartered Accountants.

# CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1961



## LIABILITIES

### CURRENT LIABILITIES

	1961	1960
Bank overdraft . . . . .	\$ 19,367	\$ 345,136
Accounts payable and accrued liabilities . . . . .	1,637,797	861,271
Federal and Provincial income taxes . . . . .	1,280,620	1,684,716
Dividends on Class "A" shares, payable January 2 . . . . .	90,000	90,000
Dividends on Common shares, payable January 2 . . . . .	225,000	90,000
	<u>3,252,784</u>	<u>3,071,123</u>

### 4% FIRST MORTGAGE AND COLLATERAL TRUST

BONDS SERIES "A"		
Serial bonds, maturing 1962 to 1964 . . . . .	\$ 450,000	\$ 600,000
Sinking fund bonds, maturing 1974 . . . . .	5,150,000	5,193,000
	<u>5,600,000</u>	<u>5,793,000</u>

### CAPITAL STOCK AND SURPLUS

Capital stock —		
Authorized —		
75,000 5% cumulative redeemable preference shares of \$100 par value (redeemable at \$105) . . . . .	\$7,500,000	
600,000 Class "A" \$1.20 cumulative preference shares of no par value . . . . .	—	
3,000,000 Common shares of no par value (Note 3) . . . . .	—	
Issued and fully paid —		
30,000 5% preference shares . . . . .	3,000,000	3,000,000
300,000 Class "A" shares . . . . .	200,000	200,000
1,800,000 Common shares (Note 3) . . . . .	100,000	100,000
	<u>3,300,000</u>	<u>3,300,000</u>
Contributed surplus . . . . .	735,000	735,000
Surplus arising from appraisal of fixed assets (Note 1) . . . . .	460,563	460,563
Reserve for contingencies . . . . .	300,000	300,000
Retained earnings . . . . .	16,389,425	14,905,462
	<u>21,184,988</u>	<u>19,701,025</u>
	<u>\$30,037,772</u>	<u>\$28,565,148</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Fixed assets are carried at values as appraised by Canadian Appraisal Company Limited as at October 7, 1939 in respect of the Dartmouth plant and by Stone and Webster Engineering Corporation as at September 30, 1954 in respect of the Saint John refinery, with subsequent additions at cost. The net appraisal increment is carried as surplus arising from appraisal of fixed assets.
2. Cost to complete the major plant improvement program now under way is estimated at \$3,500,000.
3. As confirmed by supplementary letters patent dated May 1, 1961, the authorized and issued common shares of no par value were subdivided three for one.
4. Under the provisions of recent income tax regulations, depreciation has been provided on certain additions to fixed assets at accelerated rates.



# ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

and its subsidiary company

## CONSOLIDATED STATEMENT OF EARNINGS

for the year ended December 31, 1961

	1961	1960
Operating profit before the following items . . . . .	\$ 5,591,694	\$ 4,847,548
Income from investments . . . . .	340,968	291,043
Miscellaneous income . . . . .	139,869	124,520
Profit on redemption of bonds . . . . .	2,880	2,370
	<u>6,075,411</u>	<u>5,265,481</u>
Provision for depreciation (Note 4) . . . . .	1,081,777	620,973
Bond interest . . . . .	230,810	237,418
Remuneration of directors as such . . . . .	18,020	17,000
	<u>1,330,607</u>	<u>875,391</u>
	4,744,804	4,390,090
Provision for taxes on income . . . . .	2,416,000	2,211,000
Net earnings for the year . . . . .	<u>\$ 2,328,804</u>	<u>\$ 2,179,090</u>

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

for the year ended December 31, 1961

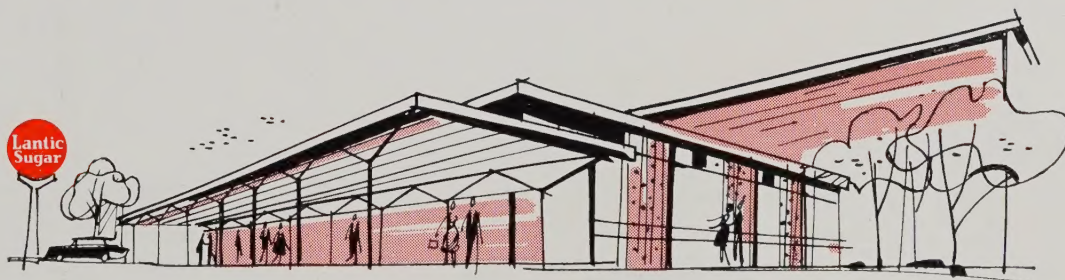
	1961	1960
Balance brought forward from preceding year . . . . .	\$14,905,462	\$13,596,372
Net earnings for the year . . . . .	2,328,804	2,179,090
Transfer of investment reserve (including \$173,184.90 profit on investments sold in 1961) . . . . .	565,159	—
	<u>17,799,425</u>	<u>15,775,462</u>
Dividends		
5% preference shares . . . . .	150,000	150,000
Class "A" shares . . . . .	360,000	360,000
Common shares . . . . .	900,000	360,000
	<u>1,410,000</u>	<u>870,000</u>
Balance at end of year . . . . .	<u>\$16,389,425</u>	<u>\$14,905,462</u>





## NEW MONTREAL DISTRIBUTION CENTRE

A MAJOR  
IMPROVEMENT  
IN COMPANY'S  
OPERATIONS



Customer service is a watchword with LANTIC. Our continuing program of prompt, efficient and convenient service is a major factor in assuring the growth, profitability and security of your Company.

By 1961 distribution of Lantic packaged sugar through public warehouses in Montreal, had increased 50% compared to 1957. Three public warehouses were required to handle this growing volume.

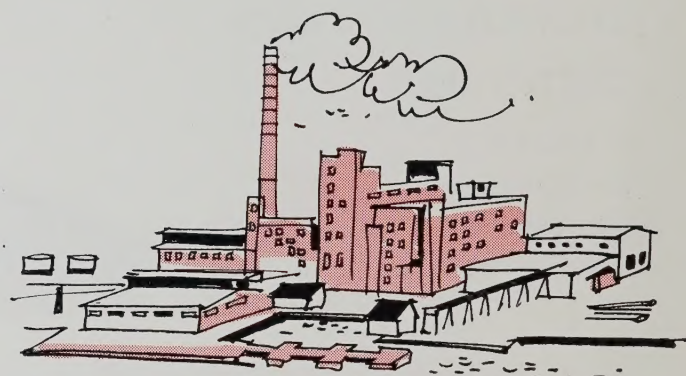
Careful study revealed that a fully modern, Company-operated distribution centre, in the northwest sector of Montreal, would provide more efficient service and closer attention to individual orders.

Another important consideration was the Montreal market area potential for bulk truck granulated and bulk truck liquid sugars. It is a relatively simple matter to provide for these at the new location and provision for same was incorporated into the final design. In addition, the same property provided adequate space for improved Company administrative offices — on a very economical basis.





REFINERY IN SAINT JOHN, N. B.



PLANT IN DARTMOUTH, N. S.

Construction got underway in late 1961. By March the new warehouse building with private rail siding, palletted storage for over 6,000,000 pounds of packaged sugar, and six truck loading service doors was in operation at the Ferrier Street property. On April 20th Company offices move to the new air-conditioned premises provided at the same location.

The new Montreal Distribution facilities are similar to those provided Toronto in 1958 — the major difference being that the Montreal centre, although located and built to our specifications, is under long-term lease. Both are located for their proximity to the centre of the Lantic market in their respective areas and for easy access to major highways serving these areas. Both are fully modern and designed and staffed to render top service to sugar accounts in these major markets.





TORONTO DISTRIBUTION CENTRE





Lentic  
Sugar